

SBC Communications Inc.
1401 I Street, N.W.
Suite 1100
Washington, D.C. 20005
Phone 202 326-8889
Fax 202 408-4805



AUG 20 1998

DOCKET FILE COPY ORIGINAL

Memorandum of Ex Parte Communication

Dear Ms. Salas:

On Wednesday, August 19, 1998, representatives of SBC Communications, Inc. ("SBC") met with the Honorable Laska Schoenfelder, Commissioner of the South Dakota Public Utilities Commission and member of the Federal-State Joint Board on Universal Service and Mr. Greg Rislov, Director – Fixed Utilities Division of the South Dakota Public Utilities Commission regarding the above-listed proceedings. Attending on behalf of SBC were Mr. Dale Robertson, Senior Vice President – FCC and Mr. William Sonnett, Director – Industry Affairs.

SBC's position on Universal Service, documented in the record of CC Docket Nos. 96-45 and 97-160, was discussed. Specifically discussed were the deficiencies of the cost models which have been submitted in the FCC's Universal Service proceedings, as well as the FCC's failure to quantify the current implicit and explicit support levels, as required by the Act, prior to developing a mechanism to deal with that support.

We are submitting the original and one copy of this Memorandum to the Secretary in accordance with Section 1.1206(b)(2) of the Commission's rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at (202) 326-8889 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Bennett". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

cc: Commissioner Schoenfelder, Mr. Rislov